

# CHAVEZ HUIERTA

## K-12 PREPARATORY ACADEMY

<b>Book</b>	CHPA Administrative Procedure Manual
<b>Section</b>	Chapter 4 Business and Fiscal Affairs
<b>Title</b>	AP 4070 Investments
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The Executive Director shall insure that funds are invested in a manner which will provide the maximum security of principal invested, with secondary emphasis on achieving the highest yield while meeting the cash flow needs and conforming to all applicable State statutes governing the investment of public funds.

### Objectives

The primary objectives, in priority order of Chavez/Huerta K-12 Preparatory Academy's investment activities shall be:

1. Safety of Principal - Safety of principal is the foremost objective of CHPA. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. To obtain this goal, diversification is required in the portfolio's composition.
2. Adequate Liquidity -CHPA shall maintain sufficient investments in liquid accounts to meet anticipated cash flow needs for the next six to twelve months. "Liquidity" refers to the ability to sell at any given moment with a minimal chance of losing principal or interest.
3. Return on Investment –CHPA's investment portfolio shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

### Authorized Investments

Investments shall be made in accordance with those outlined in the Colorado State Statutes.

### Selection of Financial Institutions

The Executive Director shall maintain a list of authorized financial institutions which are approved by the Board for investment purposes, and it shall be the policy of CHPA to purchase securities only from those authorized institutions or firms.

### Prudence

The standard of prudence to be used by the investment official shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. This standard states "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as expected income to be derived."

### Delegation of Authority

The Executive Director is responsible for the management and oversight of the investment program.

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